

## Calendar No. 461

110TH CONGRESS  
1ST SESSION**S. 2285****[Report No. 110–215]**

To reauthorize the Federal terrorism risk insurance program, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

NOVEMBER 1, 2007

Mr. DODD, from the Committee on Banking, Housing, and Urban Affairs, reported the following original bill; which was read twice and placed on the calendar

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**A BILL**

To reauthorize the Federal terrorism risk insurance program,  
and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Terrorism Risk Insurance Program Reauthorization Act  
6       of 2007”.

1 (b) TABLE OF CONTENTS.—The table of contents for  
 2 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definition of act of terrorism.
- Sec. 3. Reauthorization of the Program.
- Sec. 4. Annual liability cap.
- Sec. 5. Enhanced reports to Congress.

3 **SEC. 2. DEFINITION OF ACT OF TERRORISM.**

4 Section 102(1)(A)(iv) of the Terrorism Risk Insur-  
 5 ance Act of 2002 (15 U.S.C. 6701 note) is amended by  
 6 striking “acting on behalf of any foreign person or foreign  
 7 interest”.

8 **SEC. 3. REAUTHORIZATION OF THE PROGRAM.**

9 (a) TERMINATION DATE.—Section 108(a) of the Ter-  
 10 rorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note)  
 11 is amended by striking “2007” and inserting “2014”.

12 (b) ADDITIONAL PROGRAM YEARS.—Section 102(11)  
 13 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C.  
 14 6701 note) is amended by adding at the end the following:

15 “(G) ADDITIONAL PROGRAM YEARS.—Ex-  
 16 cept when used as provided in subparagraphs  
 17 (B) through (F), the term ‘Program Year’  
 18 means, as the context requires, any of Program  
 19 Year 1, Program Year 2, Program Year 3, Pro-  
 20 gram Year 4, Program Year 5, or any of cal-  
 21 endar years 2008 through 2014.”.

1 (c) CONFORMING AMENDMENTS.—The Terrorism  
2 Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is  
3 amended—

4 (1) in section 102(7)(F)—

5 (A) by inserting “and each Program Year  
6 thereafter” before “, the value”; and

7 (B) by striking “preceding Program Year  
8 5” and inserting “preceding that Program  
9 Year”;

10 (2) in section 103(e)(1)(A), by inserting “and  
11 each Program Year thereafter” after “Year 5”;

12 (3) in section 103(e)(1)(B)(ii), by inserting be-  
13 fore the period at the end “and any Program Year  
14 thereafter”;

15 (4) in section 103(e)(2)(A), by striking “of Pro-  
16 gram Years 2 through 5” and inserting “Program  
17 Year thereafter”;

18 (5) in section 103(e)(3), by striking “of Pro-  
19 gram Years 2 through 5,” and inserting “other Pro-  
20 gram Year”; and

21 (6) in section 103(e)(6)(E), by inserting “and  
22 any Program Year thereafter” after “Year 5”.

1 **SEC. 4. ANNUAL LIABILITY CAP.**

2 (a) IN GENERAL.—Section 103(e)(2) of the Ter-  
 3 rorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note)  
 4 is amended—

5 (1) in subparagraph (A)—

6 (A) by striking “(until such time as the  
 7 Congress may act otherwise with respect to  
 8 such losses)”; and

9 (B) in clause (ii), by striking “that  
 10 amount” and inserting “the amount of such  
 11 losses”; and

12 (2) in subparagraph (B), by inserting before  
 13 the period at the end “, except that, notwithstanding  
 14 paragraph (1) or any other provision of Federal or  
 15 State law, no insurer may be required to make any  
 16 payment for insured losses in excess of its deductible  
 17 under section 102(7) combined with its share of in-  
 18 sured losses under paragraph (1)(A) of this sub-  
 19 section”.

20 (b) NOTICE TO CONGRESS.—Section 103(e)(3) of the  
 21 Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701  
 22 note) is amended—

23 (1) by adding at the end the following: “The  
 24 Secretary shall provide an initial notice to Congress  
 25 not later than 15 days after the date of an act of  
 26 terrorism, stating whether the Secretary estimates

1       that aggregate insured losses will exceed  
2       \$100,000,000,000.”; and

3               (2) by striking “and the Congress shall” and all  
4       that follows through the end of the paragraph and  
5       inserting a period.

6       (c) REGULATIONS FOR PRO RATA PAYMENTS; RE-  
7       PORT TO CONGRESS.—Section 103(e)(2)(B) of the Ter-  
8       rorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note)  
9       is amended—

10               (1) by striking “For purposes” and inserting  
11       the following:

12                       “(i) IN GENERAL.—For purposes”;

13                       and

14               (2) by adding at the end the following:

15                       “(ii) REGULATIONS.—Not later than  
16               240 days after the date of enactment of  
17               the Terrorism Risk Insurance Program  
18               Reauthorization Act of 2007, the Secretary  
19               shall issue final regulations for deter-  
20               mining the pro rata share of insured losses  
21               under the Program when insured losses ex-  
22               ceed \$100,000,000,000, in accordance with  
23               clause (i).

24                       “(iii) REPORT TO CONGRESS.—Not  
25               later than 120 days after the date of en-

1           actment of the Terrorism Risk Insurance  
2           Program Reauthorization Act of 2007, the  
3           Secretary shall provide a report to the  
4           Committee on Banking, Housing, and  
5           Urban Affairs of the Senate and the Com-  
6           mittee on Financial Services of the House  
7           of Representatives describing the process  
8           to be used by the Secretary for deter-  
9           mining the allocation of pro rata payments  
10          for insured losses under the Program when  
11          such losses exceed \$100,000,000,000.”.

12          (d) DISCLOSURE.—Section 103(b) of the Terrorism  
13          Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is  
14          amended—

15               (1) by redesignating paragraphs (3) and (4) as  
16          paragraphs (4) and (5), respectively; and

17               (2) by inserting after paragraph (2) the fol-  
18          lowing:

19               “(3) in the case of any policy that is issued  
20          after the date of enactment of the Terrorism Risk  
21          Insurance Program Reauthorization Act of 2007,  
22          the insurer provides clear and conspicuous disclosure  
23          to the policyholder of the existence of the  
24          \$100,000,000,000 cap under subsection (e)(2), at

1 the time of offer, purchase, and renewal of the pol-  
 2 icy;”.

3 **SEC. 5. ENHANCED REPORTS TO CONGRESS.**

4 (a) STUDY AND REPORT ON INSURANCE FOR NU-  
 5 CLEAR, BIOLOGICAL, CHEMICAL, AND RADIOLOGICAL  
 6 TERRORIST EVENTS.—Section 108 of the Terrorism Risk  
 7 Insurance Act of 2002 (15 U.S.C. 6701 note) is amended  
 8 by adding at the end the following:

9 “(f) INSURANCE FOR NUCLEAR, BIOLOGICAL, CHEM-  
 10 ICAL, AND RADIOLOGICAL TERRORIST EVENTS.—

11 “(1) STUDY.—The Comptroller General of the  
 12 United States shall examine—

13 “(A) the availability and affordability of  
 14 insurance coverage for losses caused by terrorist  
 15 attacks involving nuclear, biological, chemical,  
 16 or radiological materials;

17 “(B) the outlook for such coverage in the  
 18 future; and

19 “(C) the capacity of private insurers and  
 20 State workers compensation funds to manage  
 21 risk associated with nuclear, biological, chem-  
 22 ical, and radiological terrorist events.

23 “(2) REPORT.—Not later than 1 year after the  
 24 date of enactment of the Terrorism Risk Insurance  
 25 Program Reauthorization Act of 2007, the Comp-

1       troller General shall submit to the Committee on  
 2       Banking, Housing, and Urban Affairs of the Senate  
 3       and the Committee on Financial Services of the  
 4       House of Representatives a report containing a de-  
 5       tailed statement of the findings under paragraph  
 6       (1), and recommendations for any legislative, regu-  
 7       latory, administrative, or other actions at the Fed-  
 8       eral, State, or local levels that the Comptroller Gen-  
 9       eral considers appropriate to expand the availability  
 10      and affordability of insurance for nuclear, biological,  
 11      chemical, or radiological terrorist events.”.

12      (b) STUDY AND REPORT ON AVAILABILITY AND AF-  
 13      FORDABILITY OF TERRORISM INSURANCE IN SPECIFIC  
 14      MARKETS.—Section 108 of the Terrorism Risk Insurance  
 15      Act of 2002 (15 U.S.C. 6701 note) is amended by adding  
 16      at the end the following:

17      “(g) AVAILABILITY AND AFFORDABILITY OF TER-  
 18      RORISM INSURANCE IN SPECIFIC MARKETS.—

19      “(1) STUDY.—The Comptroller General of the  
 20      United States shall conduct a study to determine  
 21      whether there are specific markets in the United  
 22      States where there are unique capacity constraints  
 23      on the amount of terrorism risk insurance available.

24      “(2) ELEMENTS OF STUDY.—The study re-  
 25      quired by paragraph (1) shall contain—



1           “(A) an analysis of both insurance and re-  
2           insurance capacity in specific markets, includ-  
3           ing pricing and coverage limits in existing poli-  
4           cies;

5           “(B) an assessment of the factors contrib-  
6           uting to any capacity constraints that are iden-  
7           tified; and

8           “(C) recommendations for addressing  
9           those capacity constraints.

10          “(3) REPORT.—Not later than 180 days after  
11          the date of enactment of the Terrorism Risk Insur-  
12          ance Program Reauthorization Act of 2007, the  
13          Comptroller General shall submit a report on the  
14          study required by paragraph (1) to the Committee  
15          on Banking, Housing, and Urban Affairs of the Sen-  
16          ate and the Committee on Financial Services of the  
17          House of Representatives.”.

18          (c) ONGOING REPORTS.—Section 108(e) of the Ter-  
19          rorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note)  
20          is amended—

21                 (1) in paragraph (1)—

22                         (A) by inserting “ongoing” before “anal-  
23                         ysis”; and

1           (B) by striking “, including” and all that  
2 follows through the end of the paragraph, and  
3 inserting a period; and  
4 (2) in paragraph (2)—

5           (A) by inserting “and thereafter in 2010  
6 and 2013,” after “2006,”; and

7           (B) by striking “subsection (a)” and in-  
8 serting “paragraph (1)”.



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110<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**S. 2285**

[Report No. 110-215]

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**A BILL**

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program, and for other purposes.

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